

Amendment No. 1 to SB2112

Bailey
Signature of Sponsor

AMEND Senate Bill No. 2112*

House Bill No. 2175

by deleting SECTION 3 and substituting instead the following:

SECTION 3. Tennessee Code Annotated, Section 45-2-401(a), is amended by deleting the subsection and substituting the following:

(a)

(1) The affairs of a state bank must be managed by a board of directors, which shall exercise its powers and be responsible for the discharge of its duties.

(2) The charter or bylaws may establish a variable range for the size of the board of directors by fixing a minimum of not less than five (5) members and a maximum of not more than twenty-five (25) members. If a variable range is established, then the number of directors may be fixed or changed from time to time, within the minimum and maximum, by the shareholders or the board of directors; however, unless the charter or bylaws provide otherwise, only the shareholders may change the range for the size of the board or change from a fixed to a variable-range size board or vice versa.

(3) Each bank director must, during each director's whole term of service, be a citizen of the United States.

(4) A majority of the directors must reside in a state in which the bank has a branch location or within one hundred (100) miles of the location of any branch, for at least one (1) year immediately preceding their election and during their term of service as a director. However, the commissioner may waive the residency requirement of this subdivision (a)(4) if the commissioner finds that:

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(A) The business experience and ability of each proposed director is relevant to the bank, its market, and the type of services the bank provides or intends to provide; and

(B) The waiver of the residency requirement will support the safety and soundness of the bank.

(5) The bylaws of the bank may specify other qualifications for directors.

(6) Any director who becomes disqualified shall resign the office, but, upon removal of the disqualification, is eligible for election. The board of directors or the commissioner may remove a director who is disqualified. An action taken by a director prior to resignation or removal is not subject to attack on the ground of the director's disqualification.

AND FURTHER AMEND by deleting SECTION 4 and substituting instead the following:

SECTION 4. Tennessee Code Annotated, Section 45-2-218, is amended by adding the following language as a new subsection:

(g) Notwithstanding any law to the contrary, the name, address, and zip code of each incorporator does not need to be set forth in a restated charter.